



Senate Bill No. 940

Public Act No. 15-38

AN ACT CONCERNING THE SUSTAINABILITY OF THE NITROGEN CREDIT EXCHANGE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 22a-524 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The Commissioner of Energy and Environmental Protection shall establish a nitrogen credit exchange program to assist in the implementation of the total maximum daily load. The nitrogen credit exchange program shall apply to all publicly-owned treatment works included in the general permit issued pursuant to section 22a-522.

(b) The commissioner, in consultation with the Nitrogen Credit Advisory Board, shall:

(1) Establish a schedule and monitor all nitrogen removal construction projects;

(2) Establish an equivalency factor for each publicly-owned treatment works, which may be revised at the commissioner's discretion consistent with the total maximum daily load. The equivalency factor and any proposed revisions shall be made available for public comment at least thirty days prior to being implemented in

Senate Bill No. 940

the nitrogen credit exchange program;

(3) Establish the individual waste load allocation for each publicly-owned treatment works utilizing the equivalency factors and taking into consideration the schedule for nitrogen removal construction projects;

(4) Monitor annual progress in meeting the fifteen-year implementation schedule in the total maximum daily load;

(5) Propose modifications, as may be necessary, to the general permit for nitrogen discharges;

(6) Oversee and execute all equivalent nitrogen credit exchanges;

(7) Maintain a separate account of state-owned equivalent nitrogen credits;

(8) [Purchase all equivalent nitrogen credits created by publicly-owned treatment works at the annually established value;] Not later than August 14, 2015, purchase all equivalent nitrogen credits created through December 31, 2014, by publicly-owned treatment works at the annually established value. Not later than August 14, 2016, purchase all equivalent nitrogen credits created through December 31, 2015, by publicly-owned treatment works at the annually established value. On or after August 15, 2016, purchase the equivalent nitrogen credits created by publicly-owned treatment works that are necessary to meet the nitrogen limits specified in the general permit for nitrogen discharges, issued pursuant to section 22a-522, at the annually established value;

(9) Sell available state-owned equivalent nitrogen credits including nitrogen credits purchased from publicly-owned treatment works at the annually established value to enable publicly-owned treatment works to meet nitrogen limits specified in the general permit for

Senate Bill No. 940

nitrogen discharges;

(10) Whenever practicable, sell remaining state-owned equivalent nitrogen credits to any other public or private entity;

(11) Establish accounts of funds created from the purchase and sale of equivalent nitrogen credits to be used for administration of the nitrogen credit exchange program and which may be used for nitrogen removal projects, habitat restoration projects and research;

(12) Establish any other policies or procedures the commissioner may deem necessary to carry out the nitrogen credit exchange program; and

(13) Establish a technical assistance program to educate and assist municipalities in implementing the nitrogen credit exchange program.

(c) (1) Not later than March thirty-first, annually, the commissioner shall audit the performance of each publicly-owned treatment works operating from January first to December thirty-first of the preceding year and shall (A) determine the number of equivalent nitrogen credits for sale and the number of equivalent nitrogen credits to be purchased, (B) publish the annual value of equivalent nitrogen credits as determined by the procedure established in section 22a-527, and (C) notify each publicly-owned treatment works of its equivalent nitrogen credit balance.

(2) Not later than July thirty-first, annually, each publicly-owned treatment works shall purchase equivalent nitrogen credits necessary to meet its nitrogen limits. Such purchase shall be paid by check, or money order or other form of payment acceptable to the Treasurer made payable to the "nitrogen credit exchange program". The check, or money order or other such form of payment shall state on its face "nitrogen credit purchase".

Senate Bill No. 940

(3) Not later than August fourteenth, annually, until August 14, 2016, the commissioner shall purchase all available equivalent nitrogen credits. On or after August 15, 2016, annually, the commissioner shall purchase the equivalent nitrogen credits created by publicly-owned treatment works that are necessary to meet the nitrogen limits specified in the general permit for nitrogen discharges, issued pursuant to section 22a-522.

Approved June 5, 2015